

PD-ABL-651

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

USAID/SOUTH AFRICA



Tel: (012) 323-8869

P.O. Box 55380  
Arcadia, Pretoria 0007

Fax: (012) 323-6443

May 21, 1993

Mrs. Rene King  
Project Manager  
Queenstown Early Learning Center  
P.O. Box 2131  
Komani  
5322

Subject: Education Support and Training Project;  
Grant Agreement with Queenstown Early Learning  
Center (QELC); Agreement No. 674-0302-G-SS-3043-00

Dear Mrs King:

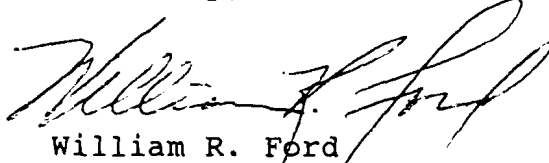
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, and the Comprehensive Anti-Apartheid Act of 1986, as amended, the Agency for International Development (hereinafter "USAID") hereby enters into this Grant Agreement (hereinafter "Agreement" or "Grant") with Queenstown Early Learning Center (hereinafter "QELC" or the "Grantee") and obligates the sum of \$200,000 to provide support for a program described in Attachment 1, entitled "Schedule," and Attachment 2, entitled "Program Description," of this Agreement.

This Agreement is effective as of April 1, 1993. The Agreement and obligation shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning on April 1, 1993 and ending on March 31, 1996.

This Agreement is entered into with the Grantee on the condition that the funds will be administered in accordance with the terms and conditions set forth in Attachment 1, "Schedule," Attachment 2, "Program Description," Attachment 3, "Standard Provisions," Attachment 4, "Disbursement of and Accounting for Agreement Funds," Attachment 5, "A.I.D. Geographic Code List," Attachment 6, "Guidelines for Financial Audits Contracted for by Foreign Recipients," and Attachment 7, "Grantee Certifications". This letter and the seven attachments just described, which have been agreed to by your organization, constitute the Agreement.

We request that you and a member of the Board of Trustees of QELC sign the original and one (1) copy of this letter and then return the original to USAID/South Africa.

Sincerely,

  
William R. Ford  
Acting Director

Date: 5/21/93

ACKNOWLEDGED AND ACCEPTED

By: Mrs. Rene King  
Title: Project Manager  
Date: \_\_\_\_\_

By: Mr. Lucky Malgas  
Title: Board of Trustees  
Date: \_\_\_\_\_

Attachments:

1. Schedule
2. Program Description
3. ~~Standard Provisions and Additional Provisions as Applicable~~
4. Disbursement of and Accounting for Agreement Funds
5. A.I.D. Geographic Code 935 List
6. Guidelines for Financial Audits Contracted for by Foreign Recipients
7. Grantee Certifications

Agreement No: 674-0302-G-SS-3043-00

Clearance Page for Action Memorandum and Grant Agreement  
Letter with Attachments 1-7:

Drafted: CRASSAS: HRDD  
Cleared: Wduncan: PHRDO *BD*  
Devans: HRDD *OP*  
Slabaree: HRDD *AK*  
GHensley: CONT *AK*  
Jaddleton: PRO *for Jnl (S. Mangera)*  
Dkeene: RLA *AK (w/ comments)*  
Wford: DD *WJ*

ATTACHMENT 1  
SCHEDULE

I. OVERVIEW OF AGREEMENT

This Agreement provides funding to the Queenstown Early Learning Center (QELC), a non-governmental, nonracial organization which provides training, support and resources for the provision of high quality education and care of young children. Through this Agreement USAID will support an expanded outreach program, decentralization of early childhood education training programs and workshops and the introduction of a pilot primary school project in response to requests for teacher training from Junior Primary teachers currently working on farms, in isolated rural villages and in resettlement areas.

II. PERIOD OF AGREEMENT

The effective date of this Agreement is April 1, 1993. Unless otherwise agreed to by USAID in writing, the expiration date is March 31, 1996, meaning that no USAID funds under this Agreement shall be applicable to goods not furnished or services not performed for the program by this date.

III. AGREEMENT FUNDING AND PAYMENT

A. The total estimated amount of USAID funds to be provided under this Agreement for the period shown in Section II. above is U.S. \$400,000.

B. USAID hereby obligates the amount of U.S. \$200,000 for eligible program expenditures during the estimated period of April 1, 1993 through December 31, 1994.

C. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 - Additional Standard Provision 1, entitled "Payment - Periodic Advance," and as provided for in Attachment 4, "Disbursement of and Accounting for Agreement Funds."

D. Additional funds up to the total amount of the Agreement as shown in Section III.A., above, may be obligated by USAID subject to the availability of funds, the agreement of the Parties hereto to proceed with the Grant program, and to the requirements of the Mandatory Standard Provision, Attachment 3 to the Agreement, paragraph entitled "Revision of Grant Budget."

#### IV. FINANCIAL PLAN

##### A. Financial Plan

The Financial Plan for funds obligated under this Agreement is set forth in Table 1 below. Revisions of this Plan shall be made in accordance with Mandatory Standard Provision 4 of this Agreement, located in Attachment 3 and entitled "Revision of Grant Budget." The Grantee is authorized a 15% deviation between line items, provided that USAID is notified in writing of such budget changes in the Grantee's following Disbursement Report. However, any deviation in excess of 15%, or any increase in the total Grant, must be approved in advance in writing by the Director, USAID/South Africa.

Set forth in Attachment 2, Section VI., is a more detailed illustrative financial plan which incorporates the planned total estimated A.I.D. contribution over the life of the Grant.

Table 1

Illustrative Financial Plan  
South African Rand (SAR)  
QELC

<u>Item</u>	<u>1st Tranche</u>
Compensation (salaries)	227,449
Travel & Per Diem	104,175
Other Direct Costs	99,546
Evaluation	26,044
Audit	17,362
Subtotal	474,576
Overhead Costs (18%)	85,424
TOTAL	560,000

##### B. Level of Assistance

The total Rand amount in the Illustrative Financial Plan (Table 1) above is the maximum Rand amount available under this Agreement. The conversion rate from U.S. Dollars will be the prevailing rate at the time of conversion as determined by the Controller, USAID/South Africa. To determine the U.S. Dollar amount of disbursements to the Grantee under the Agreement, an exchange rate of R2.80 to one (1) U.S. Dollar will be used. Notwithstanding the above, in no event will the total Rand amount provided to the Grantee under the Agreement exceed the obligated Dollar amount provided for in Section III. B above.

Due to exchange rate fluctuations, the total amount of Rands available after converting the total obligated U.S. Dollar amount into Rands may exceed the Rand Budget. If the Grantee desires to use such excess Rands to finance additional eligible program expenses, it may submit to USAID a written proposal for use of such funds. If USAID is in agreement with the Grantee's proposal, the Agreement may be modified to provide for the authorized expenditures. USAID reserves the right to deobligate any Dollars in excess of those needed to fund the Rand Budget. However, should changes in the exchange rate result in fewer South African Rands being available than budgeted for, the Grantee will be responsible for financing the shortfall, since the U.S. Dollar amount prevails.

V. REPORTING

The Grantee will submit in a timely manner written, semi-annual progress reports to USAID on activities funded and general performance under the Agreement. The semi-annual reports should include a brief description of program accomplishments during the preceding six months and a discussion of any problems encountered and how they were resolved. These reports will cover the periods between April 1 - September 30 and October 1 - March 31. The semi-annual report for the first period will be due at the end of April; for the second period the report will be due at the end of October. The Grantee will also submit in a timely manner a written final report on all activities financed by the Agreement.

VI. OVERHEAD RATE

A predetermined overhead rate of 18% of all direct costs applies to this Agreement to support QELC's programs.

VII. TITLE TO PROPERTY

Title to all property purchased under this Agreement shall vest in the Grantee in accordance with the terms of Attachment 3, Additional Standard Provision 18, entitled "Title to and Use of Property."

VIII. AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for all procurement with A.I.D. funds under the Agreement is the United States, the Republic of South Africa and countries included in A.I.D. Geographic Code 935, meaning that all goods and services financed by this Agreement shall have, with respect to goods, their source and origin and, with respect to the suppliers of services, their nationality in the United States, the Republic of South Africa or in other countries included in A.I.D. Geographic Code 935. To the

maximum extent practicable, goods and services financed with funds provided under this Grant should be procured from the United States. Please refer to Attachment 5 for a list of countries included in Code 935.

## IX. SPECIAL PROVISIONS

### A. Procurement

1. Scope: This provision is applicable to the extent that local cost financing is otherwise authorized by the Agreement. It does not require procurement in South Africa where offshore procurement could otherwise occur.

2. Policy: In the procurement of goods and services in South Africa, the Grantee shall, to the maximum extent practicable, award contracts to individuals who or organizations which have been disadvantaged by apartheid and are responsive and appropriate providers of goods and services.

3. Definitions: Individuals and organizations disadvantaged by apartheid shall mean: (1) South African individuals of black, "colored" or Asian descent whose principal place of business is in the Republic of South Africa; and (2) private partnerships or commercial firms which are incorporated in or organized under the laws of the Republic of South Africa, whose principal place of business is in the Republic of South Africa, and which are more than 50 percent beneficially owned by South African persons of black, "colored" or Asian descent. The Republic of South Africa includes the so-called "independent" and "self-governing" homelands.

### B. Competition

Except as otherwise provided in Sub-Section A. above, all procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, free and open competition.

### C. Staff Recruitment

The Grantee agrees that all staff recruitment for positions funded by USAID will be carried out through an appropriate competitive process and that salary levels will be in accordance with community and professional standards.

### D. Travel and Per Diem

The Grantee will provide for USAID approval a copy of its travel and per diem policy covering both

domestic and international travel for its staff and for program participants. The travel and per diem rates established under such policy shall not exceed U.S. Government rates. In the event the Grantee does not establish a policy, U.S. Government regulations governing travel and per diem shall apply.

E. Political Affiliation

The Grantee agrees that programs funded under this Agreement will be made available to individuals and groups regardless of their political beliefs or affiliations. The Grantee shall not discriminate in its hiring practices or in the provision of its services against individuals or organizations who associate themselves with any particular political philosophy. The Grantee shall periodically review the level of actual provision of its services to assure that persons or organizations sympathetic to certain political groupings or philosophies are not intentionally excluded from activities financed by USAID.

X. STANDARD PROVISIONS

The Standard Provisions applicable to this Agreement are contained in Attachment 3, entitled "Standard Provisions."



ATTACHMENT 2  
PROGRAM DESCRIPTION

I. SUMMARY

The Education Support and Training (ESAT) Project provides funding under this Agreement to the Queenstown Early Learning Center (QELC), a non-governmental, nonracial organization which provides training, workshops and resources for the education and care of young children. Through this Agreement USAID will support an expanded outreach program, decentralization of its training programs and introduction of a pilot primary school project in direct response to requests for teacher training from Junior Primary teachers currently working on farms, in isolated rural villages and in resettlement areas.

II. BACKGROUND

A. Education Support and Training (ESAT) Project (674-0302)

1. Objectives

The purpose of ESAT is "to support indigenous, nongovernmental initiatives which test improved models for basic education for disadvantaged South Africans and confront the waste of the apartheid education system."

2. Activities

The ESAT project focuses on seven key areas:

- a) development of models for decentralized education;
- b) development of curriculum and education planning for a post-apartheid society;
- c) qualitative improvement of black education;
- d) expanded access to secondary education;
- e) development of post-secondary school remediation;
- f) development of applied adult literacy training; and
- g) development of pre-school preparation programs.

B. Queenstown Early Learning Center (QELC)

QELC is a non-governmental, nonracial, non-sexist educational center which aims to provide training, workshops and resources to community educare centers for the provision of high quality education and care of young children. The organization aims to foster and facilitate an enabling process which will enhance parents' and teachers' capacity to direct and control their own educare projects in accordance with the needs and aspirations.

QELC has indirectly received USAID support through the ESAT grant with the Border Early Learning Center (BELC) since its

establishment in 1989. As a result of the tremendous growth and its established financial independence, the QELC Management Committee recommended that the center become independent at the end of 1991. This decision was approved by the Border and East London Association for Early Childhood Educare.

The QELC, based in Queenstown, operates from its immediate surroundings to the Northern Ciskei, Western Transkei, Northern Border Region and North Eastern Cape. In accordance with its decentralization policy, QELC field staff are, without exception, community based and training programs and community workshops are offered in localized forums to ensure the dissemination of information and resources at grassroots levels. During 1991 QELC participated in the establishment of 39 educare centers and an additional 58 in 1992. Its training programs currently impact on more than 11,700 children. QELC's Grant will provide three-year funding to support an expanded outreach program and to decentralize its training programs so that it is accessible to a maximum of communities. It will also support a pilot primary school project in direct response to requests for teacher training from Junior Primary teachers currently working on farms, in isolated rural villages and in resettlement areas.

QELC's training programs, community outreach, linkage to primary schools and assistance to those involved in early childhood education support ESAT's purpose "to support indigenous, nongovernmental initiatives which test improved models for basic education for disadvantaged South Africans and confront the waste of the apartheid education system." In addition, QELC's work will impact on educare policy and provide a replicable model for the new South African education system.

### III. PROBLEM

The Eastern Cape and Border Regions are characterized by predominantly rural and farming communities. The Ciskei, Transkei and Border area have suffered from political instability over the past 4 years. The population is generally severely economically and educationally disadvantaged. The rate of unemployment is extremely high, squatter areas are developing in every area and the Ciskei, in particular, has a history of forced removal and resettlement.

Faced with these formidable circumstances, existing educare centers in remote and rural areas struggle to survive. The situation is made more critical by the ever-increasing cases of kwashiorkor and malnutrition, the lack of transport services, the appalling conditions of roads, and the absence of financial, material and professional resources. The majority of educare centers are housed in inadequate premises and a high percentage of educare teachers do not receive monthly salaries.

A large percentage of the children in this area are at risk. An estimate of the provision of early childhood educare services in this area indicate that only 13% of these children are currently being cared for in approximately 1,100 programs. Disadvantaged communities do not have the material and financial resources necessary to sustain educare facilities. However, the QELC has been inundated with persistent and overwhelming demands for training and assistance. The commitment of teachers and parents to educare is illustrated in many instances by the involvement of whole communities, the level of shared responsibility and the creativity and innovation of educare initiatives.

QELC's training and support programs provide children with a base from which to extend their education and contribute to parent support of and involvement in their children's future. They also help to promote opportunities for change through a systematic empowering process.

#### IV. PURPOSE

This Grant will strengthen QELC's capacity to provide training and support services to its program in the Western Transkei region, to expand its outreach to communities, and to pilot a training and support project for junior primary school teachers.

#### V. PROGRAM DESCRIPTION

QELC's proposal is for assistance in 1) extending training and support to the Western Transkei; 2) expansion of its outreach program to farms and small rural towns; and 3) pilot a junior primary school teacher training and support program.

##### A. Program Activities

Following is a description of QELC's programs over the next three years supported under this Grant.

##### 1. Western Transkei:

a) Description of program - Sixty-seven per cent of the new community based educare centers have been set up in the Western Transkei. Teachers travel at their own expense up to 300 kms weekly to attend training sessions. The Transkei Teachers' Educare Course (Level 2) is offered over a two year period at the Zimele Community Development Center and consists of weekly full day training sessions alternating with sub-regional practical workshops. The Advanced Educare and Community Organizational Training Course (Level 3) and the Intermediate Teachers' Educare Course are also based on the same structure, but training sessions are presented at the QELC.

b) Recipients - The QELC is currently offering training and support to 110 teachers in 82 educare centers which are widely dispersed. An additional 30 teachers will be offered training through this Grant for a total of 140 teachers. It is also estimated that as many new educare initiatives will be established, thus increasing access to early childhood educare to hundreds of disadvantaged children.

c) Community Participation - The Parent Educare Program aims to compliment the existing programs and to facilitate the development of a comprehensive community network of support for each educare project. Full day workshops are coordinated at local levels and the program covers a broad range of topics including, how children develop and learn, how parents can become more involved in the educare centers, fundraising, committee skills training, basic bookkeeping, nutrition, health and safety. The coordination of these workshops is the shared responsibility of QELC fieldworkers, advanced students and existing local networks/structures. Based on existing figures 8 existing workshops in each of 5 identified local sub-regions will be presented in 1993 to approximately 100 participants at each workshop.

## 2. Outreach Program

a) Description of program - the program encompasses farms and small rural towns in the Northern Border and North Eastern Cape and includes workshops, refresher courses, provision of resources and fieldworking field.

b) Recipients - Over the past 3 years 70 Outreach educare teachers have been trained by the QELC and these teachers will continue to attend quarterly regional workshops. An additional 20 educare teachers (total of 90 teachers) will attend the 4 week intensive Outreach Educare Teacher Course which is hosted annually in March and September at Pallotti Farm. These teachers will join the existing regional educare training forums. It will be necessary to coordinate two 3-day refresher courses for teachers who have expressed a need for more advanced training.

This program will support approximately 50 farms and 10 peri-urban educare projects. Employment opportunities have been created for at least 70 women.

c) Community Participation - The Parent Educare Program will also be offered on a quarterly basis in

each region. Parents, educare committees, teachers and farmers are being exposed to a broad range of educare issues and are encouraged to actively involve themselves in the management and development of their individual projects.

### 3. Primary Schools Program

a) Description of program - introduction of a pilot program in direct response to requests for teacher training from Junior Primary teachers currently working on farms, in isolated rural villages and in resettlement areas. QELC will draw on experiences and resources that have been developed by organizations such as the Independent Teachers Enrichment Center (ITEC) in East London. In addition, the program will establish localized support networks for teachers participating in the program and will forge links between local educare centers and primary schools to facilitate the sharing of ideas and to promote a holistic approach to early childhood education.

b) Recipients - approximately 75 primary school teachers working in deprived communities in schools administered by the Department of Education and Training, the Transkei Education Department and the Ciskei Education Department in the following locations: isolated farm schools in the Molteno district; rural Western Transkei schools in the Lady Frere district; urban schools in the Mlungisi area; schools in resettlement and squatter areas in the Northern Ciskei. There are no other educational NGOs in this area.

### B. Financial Plan

USAID funding to QELC under this Agreement will assist with salary support, benefits, travel, training costs, evaluation, a yearly financial audit and administrative support costs, as described below:

#### 1. Salaries:

a) Fieldworkers for the Outreach and Western Transkei Programs: USAID will fund four full-time salaries with benefits for these positions. The fieldworkers work very closely with educare communities by offering advice, support and assistance in response to a diversity of needs. Resources which are relevant, accessible and include a broad range of innovative options are constantly being upgraded and extended through these staff members. In addition, they provide regular follow-up, promote high quality education; consolidate and

reinforce the theory sessions through practical demonstrations and group discussions; monitor student progress (including written progress reports); encourage untrained staff to attend Educare Course; and advocate the importance of early childhood education.

b) Outreach Coordinator: USAID will fund this full-time salary with benefits. This position will assist in the coordination of all pre-school development on farms and in small rural towns, assess needs and include them in all training and support programs; promote an awareness of educare in farm communities; encourage community and parent involvement in the education and care of their children; and assist in coordinating the provision of resources to ensure stimulating educational programs.

c) Community Education and Training Developer: USAID will fund a full-time salary with benefits for this position. This team member will be responsible for on-site visits to educare centers, communities and primary schools to assess needs, assist in planning relevant training programs, and provide follow-up, support and guidance to teachers attending QELC training courses. She/he will network with other training agencies, assist in the collection of data for community profiles and investigate the feasibility of establishing satellite resource centers in specific areas.

## 2. Travel and Per Diem

a) Transport Costs: This Grant will provide funding for transport for the field implementation of the programs, including training programs, outreach, and program development. For local travel, USAID will reimburse QELC using the AA rate per kilometer based upon an official log kept by QELC staff. Taxis will also be reimbursed for local travel. In addition, a small per diem will be provided when appropriate.

As per Section IX.D. of Attachment 1 of this Agreement, QELC will either provide USAID with a copy of its travel and per diem policy or it will abide by official U.S. Government travel regulations.

## 3. Other Direct Costs

a) Educare Training and Community Development: USAID will fund training costs for approximately 140 teachers under the Western Transkei program and approximately 90 teachers in the Outreach Program at

an estimated rate of R10.50 per month.

b) Materials Development: USAID will fund supplies related to the presentation of training programs, such as reference books, teaching aids, slides, posters, videos and other materials for making classroom equipment. Costs of translation and printing will also be included under this line item.

#### 4. Evaluation

This Grant will fund a comprehensive evaluation of QELC's program, with a focus on project impact. The scope of work, evaluation team and budget for the evaluation will be mutually agreed upon by QELC and USAID at a later date.

#### 5. Audit

Funding is provided within the Agreement for an independent audit to be conducted at the end of each of QELC's fiscal years.

#### 5. Overhead Costs

A predetermined overhead rate of 18% of the total estimated costs will be applied to this Grant to support QELC's programs. These support costs include such items as financial management, secretarial support, rent, telephone, postage, printing, maintenance and other miscellaneous administrative costs. This results in payment of R 170,847 over 36 months between April 1, 1993 and March 31, 1996 and will be dispersed quarterly in equal amounts of R 14,237. For the first tranche obligated under this Agreement, a total amount of R 85,424 may be claimed between April 1, 1993 and December 31, 1994. This rate can be renegotiated based on mutual agreement between QELC and USAID. USAID will not fund major capital expenses, such as vehicles, buildings and major equipment.

### VI. ILLUSTRATIVE FINANCIAL PLAN

On the following pages, detailed financial tables are provided in support of the Agreement Financial Plan found in Attachment 1, Section IV, which is the binding financial plan for purposes of the Agreement.

15% inflation/year

Queenstown Early Learning Center (QELC)  
Table 2  
Summary Budget  
South African Rands

LINE ITEM	Tranche 1	Tranche 2	Total
1. Salaries and Benefits	227,449	227,449	454,898
2. Travel & Per Diem	104,175	104,175	208,350
3. Other Direct Costs	99,546	99,546	199,092
4. Evaluation	26,044	26,044	52,088
5. Audit	17,363	17,363	34,725
TOTAL ESTIMATED COSTS	474,576	474,576	949,153
Overhead (18%)	85,424	85,424	170,847
TOTAL COSTS (Rand)	560,000	560,000	1,120,000
TOTAL COSTS (Dollars)	200,000	200,000	400,000



15% inflation/year

Queenstown Early Learning Center (QELC)  
Table 1  
Detailed Illustrative Budget  
South African Rands

LINE ITEM	YEAR 1	YEAR 2	YEAR 3	TOTAL
-----				
OUTREACH PROGRAM				
-----				
1. Salaries and Benefits				
a) Fieldworker x 2	40,000	46,000	52,900	138,900
b) Outreach Coordinator	25,000	28,750	33,063	86,813
2. Travel & Per Diem	30,000	34,500	39,675	104,175
3. Other Direct Costs	14,834	17,059	19,618	51,511
-----				
SUBTOTAL	109,834	126,309	145,255	381,399
WESTERN TRANSKEI PROGRAM				
-----				
1. Salaries and Benefits				
a) Fieldworker x 2	40,000	46,000	52,900	138,900
2. Travel & Per Diem	30,000	34,500	39,675	104,175
3. Other Direct Costs				
a) Educare Training	18,000	20,700	23,805	62,505
-----				
SUBTOTAL	88,000	101,200	116,380	305,580
PRIMARY SCHOOLS PROGRAM				
-----				
1. Salaries and Benefits				
c) Commun. Educ. Develop	26,000	29,900	34,385	90,285
2. Travel & Per Diem	0	0	0	0
3. Other Direct Costs				
a) Training	9,500	10,925	12,564	32,989
b) Materials Development	15,000	17,250	19,838	52,088
-----				
SUBTOTAL	50,500	58,075	66,786	175,361
4. Evaluation	15,000	17,250	19,838	52,088
5. Audit	10,000	11,500	13,225	34,725
TOTAL ESTIMATED COSTS	273,334	314,334	361,484	949,152
Overhead (18%)	49,200	56,580	65,067	170,847
TOTAL COSTS (Rand)	322,534	370,914	426,551	1,120,000
TOTAL COSTS (Dollars)	115,191	132,469	152,340	400,000

# Calculations of Overhead

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Bank Charges	4,150
Domestic Expenditure	2,500
Maintenance - General	1,580
Municipal Services	3,000
Printing & Stationary	20,000
Postage	1,200
Rent	2,000
Security	2,300
Salaries:	
Finance Manager	44,850
Secretary	23,400
General Assistant	9,000
Telephone & Fax	10,000
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TOTAL	123,980
Total '94 QELC budget	700,000
Overhead %	0.18

**ACTION MEMORANDUM FOR THE DIRECTOR, USAID/SOUTH AFRICA**

DATE: April 7, 1993

FROM: William G. Duncan, <sup>WGD</sup> Director, Project and  
Human Resources Development Office

SUBJECT: Education Support and Training (ESAT) Project  
Queenstown Early Learning Center (QELC)  
Agreement No. 674-0302-G-SS-3043-00

**I. PROBLEM**

Your approval is required to obligate U.S. \$200,000 of FY1993 funds under the Education Support and Training Project (ESAT 674-0302), through a Grant Agreement with the Queenstown Early Learning Center (QELC), as described herein.

**II. AUTHORITY**

Pursuant to Redelegation of Authority No. 452, the Director, USAID/SA, has authority to authorize and execute grants, and amendments thereto, with indigenous non-governmental organizations (NGOs) in an amount not to exceed \$5.0 million per grant.

**III. DISCUSSION**

QELC is a non-governmental, nonracial, non-sexist educational center which aims to provide training, workshops and resources for the provision of high quality education and care of young children. All QELC projects and programs are firmly rooted in the communities that it serves. The organization aims to foster and facilitate an enabling process which will enhance parents' and teachers' capacity to direct and control their own educare projects in accordance with their own needs and aspirations.

In response to an overwhelming demand for training and assistance, QELC was established in 1989 as a project of the Border Early Learning Center (BELC) and has indirectly received USAID support over the past three years. As a result of the tremendous growth of the project and its established financial independence, the Management Committee recommended QELC's independence at the end of 1991. This decision was approved by the Border and East London Association for Early Childhood Educare.

The QELC is based in Queenstown, but its area of operation stretches from its immediate surroundings to the Northern Ciskei, Western Transkei, Northern Border Region and North Eastern Cape. In accordance with its decentralization policy, QELC field staff are, without exception, community based and training programs and community workshops are offered in localized forums to ensure the

dissemination of information and resources at the grassroots level. During 1991 QELC participated in the establishment of 39 educare centers and an additional 58 centers in 1992. Its training programs currently impact on 11,700 children. QELC's fieldworkers work very closely with communities and travel great distances in predominantly rural, farm areas.

In response to an ongoing demand for training and assistance from primary school teachers working under appalling conditions in deprived communities, QELC is introducing a Junior Primary Teachers' Support Program which will provide teacher upgrading and support in the development of curriculum and resources to: teachers in isolated farm schools in the Molteno district; rural Western Transkei schools in the Lady Frere district; urban schools in the Mlungisi area; and schools in resettlement and squatter areas in the Northern Ciskei.

QELC's proposal is for three-year funding to support: a) an expanded educare program in the Western Transkei; b) a wider outreach program; c) further decentralization of its training programs so that they are accessible to a maximum of communities; and d) a pilot training and support program for junior primary teachers.

The educare and primary school training courses, community development, outreach and assistance to those involved in early childhood education achieved through QELC's programs support ESAT's purpose "to support indigenous, nongovernmental initiatives which test improved models for basic education for disadvantaged South Africans and confront the waste of the apartheid education system," and targets several key focus areas, including the development of models for decentralized education; development of curriculum and education planning for a post-apartheid society; qualitative improvement of black education; and development of pre-school preparation programs.

#### IV. ISSUES

Through the development of this Agreement, the following issues have been identified and addressed as presented below:

A. Action Plan and Strategic Objectives - This proposed Agreement was discussed during the FY93 ESAT Action Plan review dated January 29, 1993 and approved. This activity is consistent with USAID/South Africa PHRDO's strategic objective to "prepare disadvantaged South Africans to establish an equitable and effective educational system" and the four program targets: 1) increase the number of qualified and skilled black South Africans; 2) develop, evaluate and disseminate models of innovative approaches to education; 3) contribute to the policy debate on the future of South African education; and 4) strengthen selected education institutions and organizations.

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QELC strongly supports affirmative action. All positions to be funded under this grant are filled by black South Africans. Black staff members are trained and promoted within the organization. The Board is racially mixed.

B. Grantee's Illustrative Budget and Cost Negotiation - The Human Resources Development Division conducted verbal negotiations with QELC to establish its priorities for funding. Costing included examining the proposed salaries which, according to our consultations, are similar to those of equivalent positions in other non-governmental organizations in the same field. Based on this review of the budget and costs HRDD, determines that these costs are reasonable and appropriate for a grant of this nature.

C. Noncompetitive Justification - Although competition is to be encouraged in the award of grants and cooperative agreements to NGOs (handbook 13, Chapter 2B), Chapter 2B3a permits exceptions to competition where the proposal "is not solicited by A.I.D." and where the proposal is "unique, innovative, or proprietary and acceptance would be fair, reasonable, and would represent appropriate use of A.I.D. funds to support or stimulate a public purpose." QELC has submitted an unsolicited proposal, and it is the determination of the HRDD that the activity is "unique, and innovative". The activities under this grant are follow-on activities to those funded through ESAT's grant to BELC. QELC is the only organization offering outreach, training, and support services to educare centers in the marginalized areas of the Transkei, Ciskei and Border region which it serves. This Grant will provide funding to further expand QELC's services and to pilot a program with junior primary schools in the region. Because QELC's activities are consistent with USAID program objectives, and are so unique and innovative, acceptance of the QELC proposal would be fair and reasonable and would represent an appropriate use of USAID funds.

D. Technical and Management Capability - It is the HRDD's determination that the subject organization possesses suitable policies and practices to ensure adequate management of USAID funds provided under the Grant Agreement. This determination is based on the successful implementation of QELC's program which was indirectly financed through the Border Early Learning Center's grant under the ESAT project over the past three years. BELC established QELC in response to a growing demand for educare services and training. BELC assisted the QELC in consolidating and strengthening the Center by a) developing staff capability; b) setting up personnel and financial management capacity; c) networking through production of newsletters and materials; and d) finally, in encouraging the QELC's independence.

E. Financial Management Capability - A financial review of QELC's financial management systems was conducted on March 30, 1993 by Pema Lakha & Associates, which certified that the Grantee

possesses adequate accounting systems, books and records for the administration of this Agreement. A copy of this review is on file in the Controller's Office at USAID/South Africa.

F. PVO Registration Determination - The proposed Grantee does not qualify as a Private Voluntary Organization, as defined in A.I.D. Handbook 3, Appendix 4C and 88 State 356010 because QELC only receives donor funding and does not solicit or receive funds from the general public. Major funders for 1992/93 include: Anglo American, Human Resources Trust, Interfund, Liberty Life, Mobil and Nedcor.

G. Grantee Contribution - Grantee contribution of not less than 25% of the total project costs has been provided. QELC owns several project vehicles, computer equipment, faxes, furniture and other office equipment, all of which are critical for running the QELC programs. This grant provides funding for salaries of only black South African staff.

H. Sustainability - The Grantee is expected to continue activities funded under this grant and should be a strong player in educare in the future. USAID is one of at least six other major funders.

I. Standard Issues

1. Section 611(a) Requirements - Consistent with Section 611(a) of the FAA, adequate technical and financial planning underlie the proposed Agreement and reasonably firm cost estimates have been established. Such planning is evidenced by the Agreement program itself, as described in Attachment 2 of the proposed Agreement, which contains a detailed methodology for implementing Agreement activities and attaining specified Agreement outputs. The Illustrative Financial Plan is based on reasonably firm cost estimates for program activities.

2. Payment Verification Requirements - Payment verification requirements for the Grantee are satisfied by: (a) the specification of financial management and reporting procedures in the attached Agreement; (b) the certification by the USAID Controller of the recipient organizations's ability to handle initial Agreement disbursements; and (c) provision in the proposed Agreement for annual audits of use of Agreement funds.

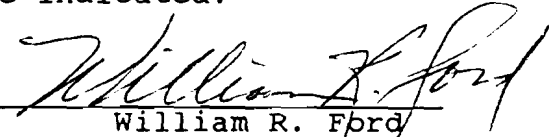
3. Recurrent Costs - Donor financing of recurrent costs, such as salaries, allows the Grantee to provide an essential service that is unmet by the public sector and, due to the limited income of the beneficiaries, cannot be met through normal market channels. Recurrent cost assistance in such cases is justified under category 2 of USAID's Recurrent Cost Policy. The "design considerations" outlined in this policy document have been taken into consideration in the design and negotiation of this Agreement.

4. Selection of a Grant as the Assistance Instrument - It is the determination of the HRDD that, in accordance with Handbook 13, Chapter 6, a grant is the appropriate assistance mode to be utilized, as A.I.D. is not procuring goods or services and does not require a substantial degree of operational control or involvement in project implementation. The attached document is, in form and substance, a grant as defined by A.I.D.

V. RECOMMENDATION

It is recommended that, pursuant to your authority under Redlegation of Authority No. 452, you: (1) approve noncompetitive selection in accordance with the justification provided above; (2) authorize the proposed Agreement to QELC by signing below; and (3) execute said Agreement, as attached, by signing on the appropriate page and line indicated.

Approved: \_\_\_\_\_

  
William R. Ford  
Acting Director  
USAID/SA

Disapproved: \_\_\_\_\_

Date: \_\_\_\_\_

